

CENTRAL INTELLIGENCE AGENCY
INFORMATION FROM
FOREIGN DOCUMENTS OR RADIO BROADCASTS

CD NO.

COUNTRY	USSR
SUBJECT	Political - Criminal prosecution
HOW PUBLISHED	Daily newspaper
WHERE PUBLISHED	Leningrad
DATE PUBLISHED	26 Jan 1949
LANGUAGE	Russian

DATE OF INFORMATION 1945-46

DATE DIST. 6 Jun 1949

NO. OF PAGES 1

SUPPLEMENT TO
REPORT NO.

THIS DOCUMENT CONTAINS INFORMATION AFFECTING THE NATIONAL DEFENSE OF THE UNITED STATES WITHIN THE MEANINGS OF ESPIONAGE ACT 50 U. S. C., 31 AND 32, AS AMENDED. ITS TRANSMISSION OR THE REVELATION OF ITS CONTENTS IN ANY MANNER TO AN UNAUTHORIZED PERSON IS PROHIBITED BY LAW. REPRODUCTION OF THIS FORM IS PROHIBITED.

THIS IS UNEVALUATED INFORMATION

SOURCE: Leningradskaya Pravda, No 20, 1949.

The Leningrad Public Prosecutor has revealed facts concerning a group of engineering and technical workers who misappropriated large sums of State funds in 1945-46. The center of the group was "Lonitomash" (Leningrad Division of the Scientific Engineering and Technical Society of Machine Building). M. Parnes and B. Regel'man, who were attached to the society, changed it into a commercial enterprise, using State funds for mercenary purposes. Representatives of "Lonitomash" concluded agreements with plants for various types of work for which they fraudulently inflated the cost. The cash "reserves" which were accumulated by this method were then divided among the group. The group was also guilty of drawing up fictitious trade agreements and forging signatures.

Thirty-four defendants were brought into court for a trial which lasted 3½ months. The actual loss to the State was found to be 765,000 rubles. The organizer of the group, Farnes, misappropriated 186,000 rubles by himself and also obtained a substantial share of the 300,000 rubles misappropriated together with the rest of the group. Kuz'min, who worked in the Meva Machine-Building Plant, obtained money from 15 fictitious trade agreements, counterfeiting a certificate issued by a certain institute. G. S. Purizhinskiy and S. S. Bassilov, assistant prosecutors of Leningrad, argued the State's prosecution. A large group of lawyers handled the defense. M. Farnes and V. Kuz'min were each sentenced to 25 years' loss of freedom. B. Regel'man, V. Fat'yantov, G. Ennenberg, D. Shufotinskiy, and Ya. Novikov, workers in plants, and V. Komlev, deputy-chairman of "Vostokmash" (All-Union Scientific Engineering and Technical Society of Machine Building), were each sentenced to 10 years' loss of freedom. Five defendants were sentenced to 5 years' loss of freedom, seven were sentenced to loss of freedom for various terms, and the remaining defendants were sentenced to corrective labor.

- E N D -

- i -

SECRET

STATE	NAVY	NSRB	DISTRIBUTION	
ARMY	AIR	FBI		